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Population Quotas and Alcohol Licensing Policy

Business & Labor Team

Office of Legislative Research and General Counsel

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Regulatory Schemes

- **Alcohol Control State:** Sale of spirits and, in some cases, wine and beer through government agencies at the wholesale level.
- **Alcohol Quota State:** Retail licenses for the sale of alcohol beverages controlled by the state through the use of population quotas.
- Utah is both a control state **and** a quota state
 - Idaho
 - Michigan
 - Montana
 - Ohio
 - Pennsylvania





- Currently, statute provides for **nine** different on-premises retail licenses
- Based on current population estimates, the maximum number of licenses allowable for each is:
 - Full-Service Restaurant: 822
 - Limited-Service Restaurant: 499
 - Beer-Only: unlimited
 - Bar: 363
 - Airport Lounge: 26 per airport
 - Banquet: 118
 - Tavern: 46
 - Reception Center: 13
 - Hospitality Amenities: unlimited



S.B. 173 – 2023 General Session

- Among the changes made to Title 32B, adjusted the population quotas for a number of alcohol licenses:
 - Full-service restaurant: provided an additional **30 licenses**, currently stands at one license per 4,467 population
 - Bar: provided an additional **15 licenses**, currently stands at one license per 10,200 population
 - Airport lounge: ~~13~~ **26** per international airport
 - Created a cap for no more than **3 licenses** per domestic airport
 - Banquet: Restricted the number of restaurant venue licenses to **25**

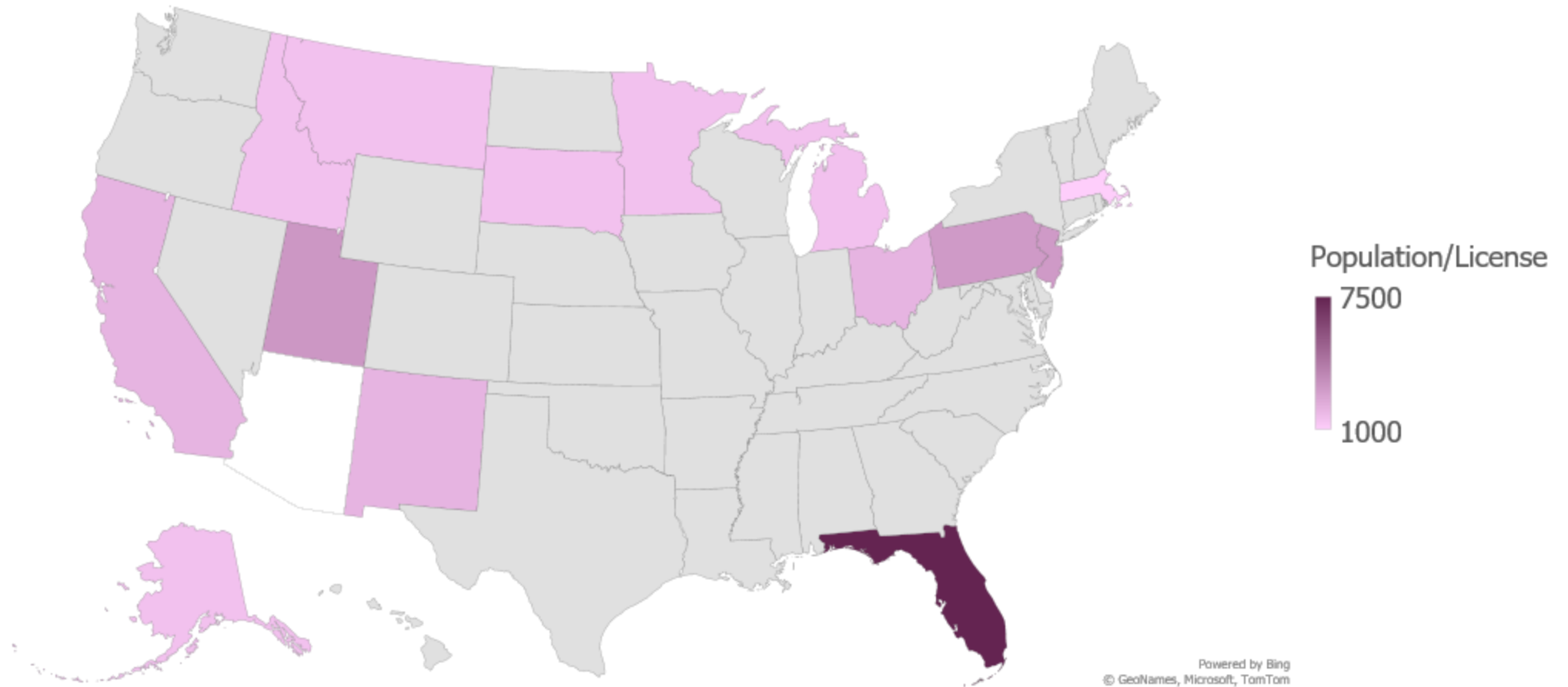


Population Quotas for Liquor Licenses

- Full-service restaurant and bar licenses are the two primary licenses available for on-premises retail sales of spirits in Utah
 - **Full-Service:** 1 license per 4,467 population
 - **Bar:** 1 license per 10,200 population
 - In aggregate, this results in approximately one license being awarded per 3,100 population
- Among the 15 states using population quotas, Arizona and Utah are the only ones to issue separate restaurant and bar licenses.



Liquor License Quotas by State



Liquor License Quotas by State

- Current aggregate quota is in line with provisions in Pennsylvania and New Jersey
- All other states except Florida are more permissive
- The most common quota is 1 license per 1,500 population
- Additionally, Utah is the only state to derive the number of available licenses using a **statewide** population basis
 - Increases available bar licenses by 4.2%
 - Increases available full-service restaurant licenses by 1.7%



Determinants of Population Quotas

- Except for Utah, no state has recent legislative history on the factors that contribute to selecting a population quota
- The most recent change outside Utah occurred in Florida in 2000



Thank You



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